

Message Text

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PAGE 01 CANBER 01842 090815Z

13

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SUBJ: AUSTRALIAN QUOTA RESTRICTIONS ON STEEL SHEET AND
PLATE LIFTED

REF: (A) GENEVA 1703 (B) 75 CANBERRA 1516

1. FOLLOWING IS VERBATIM TEXT OF JOINT PRESS STATEMENT
DATED MARCH 5, 1976 BY MINISTER FOR BUSINESS AND
CONSUMER AFFAIRS HOWARD AND MINISTER FOR INDUSTRY AND
COMMERCE COTTON ON THIS SUBJECT:

(A) QTE THE MINISTER FOR BUSINESS AND CONSUMER AFFAIRS
MR. JOHN HOWARD, AND THE MINISTER FOR INDUSTRY AND
COMMERCE, SENATOR ROBERT COTTON, ANNOUNCED TODAY THAT
THE GOVERNMENT HAD ACCEPTED THE RECOMMENDATION OF THE
INDUSTRIES ASSISTANCE COMMISSION IN ITS REPORT ON SHEETS
AND PLATES OF IRON OR STEEL - IMPORT RESTRICTIONS.

THE REPORT WILL BE AVAILABLE SHORTLY FROM THE AUSTRALIAN

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PAGE 02 CANBER 01842 090815Z

GOVERNMENT PUBLISHING SERVICE.

(B) QTE THE MINISTERS SAID THAT THE COMMISSION HAD RECOMMENDED THAT IMPORTS OF UNCOATED SHEET STEEL FALLING WITHIN TARIFF ITEM 73.13.1 SHOULD NOT BE RESTRICTED AND THE GOVERNMENT HAD DECIDED TO REMOVE THE CURRENT RESTRICTION FORTHWITH.

(C) QTE THE MINISTERS POINTED OUT THAT THE GOVERNMENT'S DECISION TOOK INTO CONSIDERATION THE POSSIBILITY THAT IMPORTS OF SHEET STEEL COULD BECOME A THREAT TO THE AUSTRALIAN INDUSTRY IN THE ABSENCE OF RESTRICTIONS. HOWEVER, THE EXTENT TO WHICH IMPORTS ARE LIKELY TO THREATEN THE FUTURE PRODUCTION AND EMPLOYMENT IN THE INDUSTRY DEPENDED TO A GREAT EXTENT ON THE COMPETITIVE TRADING AND PRICING INITIATIVES PURSUED BY THE LOCAL INDUSTRY. THE INDUSTRIES ASSISTANCE COMMISSION REPORT SUGGESTS THAT THE INDUSTRY'S PRESENT PROBLEMS ARE PARTLY DUE TO THE PRICING AND DISTRIBUTION POLICIES OF THE DOMINANT AUSTRALIAN PRODUCER.

(D) QTE THE MINISTERS EMPHASISED THAT WHILE AT THIS STATE IT WAS CONSIDERED AN ABNORMAL INCREASE IN FUTURE IMPORTS OF UNCOATED SHEET STEEL IS UNCERTAIN, THEY WERE CONCERNED TO PREVENT DISRUPTIVE IMPORTS OCCURRING WHICH COULD SERIOUSLY UNDERMINE A MAJOR SECTOR OF AUSTRALIAN INDUSTRY. ACCORDINGLY THE LEVEL OF FUTURE IMPORTS OF SHEET STEEL WOULD BE KEPT UNDER CLOSE SCRUTINY, AND THE MATTER OF TEMPORARY PROTECTION WOULD BE REFERRED TO THE INDUSTRIES ASSISTANCE COMMISSION OR THE TEMPORARY ASSISTANCE AUTHORITY SHOULD IMPORTS SHOW A DISRUPTIVE TREND.

(E) QTE THE MINISTERS CONCLUDED THAT THE DECISION REFLECTED THE GOVERNMENT'S CONCERN FOR THE INTERESTS OF BOTH STEEL PRODUCERS AND STEEL USERS. IT WAS IN KEEPING WITH THE GOVERNMENT'S AIM TO REDUCE INFLATIONARY PRESSURES AND TO LIBERALIZE TRADE. END QTE.

2. COMMENT: THIS IS ANOTHER INSTANCE OF AUSTRALIANS TAKING ACTION TO REMOVE TEMPORARY RESTRAINTS AT END OF PERIOD FOR WHICH ORIGINAL MEASURE IMPOSED. (SEE ALSO CASE OF PRECISION BALL BEARINGS REPORTED SEPTEL). IT IS OF MORE THAN ROUTINE INTEREST, HOWEVER, BY VIRTUE OF GOVERNMENT'S UNCLASSIFIED

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PAGE 03 CANBER 01842 090815Z

IMPLICIT ENDORSEMENT OF IAC SUGGESTION THAT INDUSTRY'S PROBLEMS "ARE PARTLY DUE TO PRICING AND DISTRIBUTION POLICIES OF DOMINANT AUSTRALIAN PRODUCER." (DEPT. WILL RECALL FROM REF (B) THAT THIS IS JOHN JYSAGHT (AUSTRALIA) LTD., AT WHOSE INITIATIVE RESTRAINTS IMPOSED MORE THAN YEAR AGO.) THIS FEATURE OF PRESENT DECISION MUST BE SOURCE OF SOME UNEASINESS ON PART OF AUSSIE MANUFACTURERS WHO, ON BASIS FRASER CAMPAIGN RHETORIC, MAY HAVE EXPECTED GOVERNMENT

POLICY TILT IN DIRECTION OF LESS RIGOROUS EXAMINATION OF
INDUSTRY REQUESTS FOR PROTECTION. END COMMENT.
HARGROVE

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